

Message Text

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13

ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 DODE-00 NSAE-00 RSC-01 TRSE-00

AEC-11 CIAE-00 COME-00 MC-02 DRC-01 L-03 /055 W

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R 291010Z AUG 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 1875

C O N F I D E N T I A L BUDAPEST 2391

E.O. 11652: GDS

TAGS: ETRD, HU, COCOM, ESTC

SUBJECT: IBM-HUNGARIAN RELATIONS

REF: BUDAPEST 2387

1. IN ADDITION TO DISCUSSION IBM COMPUTER SALE (REFTEL) HOFFMEISTER HAS GIVEN US COPY OF LETTER (POUCHED DEPT) FROM PEST (CSO) IN WHICH LATTER ASKS IBM TO MAKE OFFERS TO HUNGARIAN CUSTOMERS ONLY FOR EQUIPMENTH OR WHICH EXPORT AND UNCON- DITIONAL DELIVERY AUTHORIZATION HAS PREVIOUSLY BEEN OBTAINED FROM USG. PESTI COMPLAINED THAT IBM HAD RECENTLY OFFERED SEVERAL COMPUTERS AND PERIPHERALS FOR SALE WHICH HAVE ENTAILED DIFFICULTIES AND DISCONTENT WHEN HUNGARIAN FIRMS SUBSEQUENTLY DISCOVERED THEY HAD TIED UP CAPITAL FOR IBM EQUIPMENT ON WHICH DELAYS OR EVEN NON-DELIVERY LIKELY.

2. HOFFMEISTER SAID IBM WAS EXPLAINING TO CSO WHY PRIOR USG COMMITMENT NOT POSSIBLE. MAINTAINED THAT REAL PROBLEM WAS THAT U.S. COMPANIES WERE REQUIRED TO ADHERE TO CONTROLS AND PROCEDURES MORE RIGIDLY THAN OTHERS (MENTIONING GERMANS IN PARTICULAR). AMB SAID USG OBVIOUSLY HAD INTEREST IN SECURING ADHERENCE BY EVERYONE TO REGULATIONS SO AS NOT TO PUT U.S. COMAPNIES AT DISADVANTAGE. QUERIED WHETHER OTHER PROBLEM MIGHT BE EFFORTS TO SELL EQUIPMENT WHEN USG AUTHORIZATION UNLIKELY IN HOPES THAT AGREED UPON SALE WOULD THEN IN ITSELF GENERATE PRESSURES FOR APPROVAL. HOFFMEISTER THOUGHT
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THIS MIGHT HAPPEN IN SOME CASES BUT DID NOT FEEL IT WAS

SITUATION HERE.

3. IN ANY CASE LETTER REVEALS FRICTIONS THAT CAN
GENERATE IN INTERFACE BETWEEN COMMERCIAL SALES EFFORTS AND
GOVT LICENSING PROVISIONS.
PEDERSEN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: STRATEGIC TRADE CONTROLS, COMPUTERS, MAGNETIC TAPE, EXPORT LICENSES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUDAPE02391
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740239-0518
From: BUDAPEST
Handling Restrictions: n/a
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Legacy Key: link1974/newtext/t1974089/aaaaahdw.tel
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Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
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Review Markings:

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